



*Office of Criminal Enforcement, Forensics and Training*  
*September 30, 2006*

**DEFENDANT:** ACS Environmental Services

E.D. Virginia 2:05CR00074-002

**DEFENDANT:** Air Power Enterprises, Inc.

E.D. Virginia 2:05CR00074-001

**DEFENDANT:** James Schaubach

E.D. Virginia 2:05CR00074-003

**DEFENDANT:** Nicanor Lotuaco

E.D. Virginia 2:05CR00074-004

**FACTS:** ACS, located in Chesapeake, VA and Air Power, located in Portsmouth, VA worked in the asbestos and lead abatement and hazardous waste removal industries as abatement and removal contractors. From 1999 through 2004, Air Power received \$37 million in federal contracts under the SBA's program for minority owned businesses. ACS and Air Power submitted false statements to the SBA in connection with the certificates and regarding the ownership of Air Power in order to participate in the agency's set-aside program which enabled them to receive federal contracts as a minority-owned firm. Under federal and state law, individuals who intend to work on asbestos and lead abatement projects are required to take an extensive training course instructing them how to properly and safely remove asbestos, lead and hazardous waste without contaminating either themselves, co-workers or members of the public. ACS and Air Power falsely certified that the workers had taken the required courses, passed the exams and were otherwise entitled to work on such projects. The untrained workers conducted asbestos, lead and hazardous waste abatement at schools, hospitals and other public and governmental facilities.

**DATE:**

06/09/2005 The defendants were charged with felony conspiracy, a violation of 18 U.S.C. 371.

**STATUTE:** 18 U.S.C. 371

**DATE:**

06/28/2005 The defendants pled guilty to the charges.

**DATE:**

01/25/2006 Lotuaco was sentenced to 5 months incarceration, 5 months home detention, 36 months probation and ordered to pay a special assessment fee of \$100 and a \$1 million fine.

**DATE:**

03/30/2006 Schaubach was sentenced to 21 months incarceration, 36 months supervised release and ordered to pay a special assessment fee of \$100 and a \$1.5 million fine. Air Power and ACS were sentenced to 60 months probation and a \$400 special assessment fee. Air Power was also sentenced to pay a \$500,000 fine. ACS was sentenced to 60 months probation and ordered to pay a \$400 special assessment fee.

